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SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-71779; File No. SR-NYSEArca-2014-26)

March 24, 2014

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Changes to the Means of Achieving the Investment Objective Applicable to the db-X Ultra-Short Duration Fund

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on March 18, 2014, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to reflect changes to the means of achieving the investment objective applicable to the db-X Ultra-Short Duration Fund (the “Fund”). The Commission has approved listing and trading of shares of the Fund on the Exchange under NYSE Arca Equities Rule 8.600.<sup>4</sup> The text of the proposed rule change is available on the Exchange’s website at

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<sup>1</sup> 15 U.S.C.78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> See Securities Exchange Act Release No. 71617 (February 26, 2014), 79 FR 12257 (March 4, 2014) (SR-NYSEArca-2013-135) (order approving listing and trading on the Exchange of the db-X Ultra-Short Duration Fund and db-X Managed Municipal Bond Fund) (“Prior Order”). See also Securities Exchange Act Release No. 71269 (January 9, 2014), 79 FR 2725 (January 15, 2014) (SR-NYSEArca-2013-135) (“Prior Notice,” and together with the Prior Order, the “Prior Release”).

[www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Commission has approved listing and trading on the Exchange of shares ("Shares") of the Fund, a series of the DBX ETF Trust (the "Trust"),<sup>5</sup> under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares.

The Shares are offered by the Trust, a statutory trust organized under the laws of the State of Delaware and registered with the Commission as an open-end management investment company.<sup>6</sup> The Fund is a series of the DBX ETF Trust ("Trust"), a statutory trust organized

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<sup>5</sup> See note 4, *supra*.

<sup>6</sup> The Trust is registered under the Investment Company Act of 1940 ("1940 Act") (15 U.S.C. 80a-1). On December 19, 2012, the Trust filed with the Commission an amendment to its registration statement on Form N-1A under the Securities Act of 1933 (15 U.S.C. 77a) ("Securities Act") and the 1940 Act relating to the Fund (File Nos. 333-170122 and 811-22487) (the "Registration Statement"). The description of the operation of the Trust and the Fund herein is based, in part, on the Registration Statement. In addition, the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 30811 (November 26, 2013).

under the laws of the State of Delaware and registered with the Commission as an open-end management investment company. The Fund will be managed by DBX Advisors LLC (the “Adviser”). Deutsche Investment Management Americas Inc. will be the investment sub-adviser for the Fund (the “Sub-Adviser”).

In this proposed rule change, the Exchange proposes to reflect changes to the description of the measures the Adviser and Sub-Adviser will utilize to implement the Fund’s investment objective, as described below.<sup>7</sup>

As described in the Prior Release, the investment objective of the Fund will be to seek to provide current income consistent with total return. Under normal market conditions,<sup>8</sup> the Fund will seek to achieve its investment objective by investing at least 65% of its net assets in debt securities.<sup>9</sup> As stated in the Prior Release, the Fund may invest its remaining assets in other securities and financial instruments, as described in the Prior Release. The Prior Release states

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<sup>7</sup> The changes described herein will be effective upon filing with the Commission of another amendment to the Trust’s Registration Statement. See note 6, supra. The Adviser represents that the Adviser and Sub-Adviser will manage the Fund in the manner described in the Prior Release, and will not implement the changes described herein until the instant proposed rule change is operative.

<sup>8</sup> The term “under normal market conditions” includes, but is not limited to, the absence of extreme volatility or trading halts in the fixed income markets or the financial markets generally; operational issues causing dissemination of inaccurate market information; or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

<sup>9</sup> As described in the Prior Release, debt securities will include: (1) debt securities of U.S. and foreign government agencies and instrumentalities, and U.S. Government obligations (including U.S. agency mortgage pass-through securities, as described below); (2) U.S. and foreign corporate debt securities, mortgage-backed and asset-backed securities, adjustable rate loans that have a senior right to payment (“senior loans”), money market instruments, and fixed and other floating-rate debt securities; and (3) taxable municipal and tax-exempt municipal bonds. The Fund normally will target an average portfolio duration (a measure of sensitivity to interest rate changes) of no longer than one year.

that the Fund generally intends to use interest rate swaps and/or small amounts of currency forwards for duration management.

The Exchange proposes to supplement the description in the Prior Release of other securities and financial instruments in which the Fund may invest for duration management to add interest rate futures and U.S. Treasury futures. Interest rate futures and U.S. Treasury futures will be included under the remaining assets in which the Fund may invest (i.e., securities and financial instruments other than the at least 65% of net assets invested in debt securities under normal market conditions). All interest rate futures and U.S. Treasury futures in which the Fund invests will be traded on a U.S. futures exchange regulated by the Commodity Futures Trading Commission.

The Exchange notes that the Commission has approved similar representations relating to issues of Managed Fund Shares proposed to be listed and traded on the Exchange.<sup>10</sup>

In computing the Fund's net asset value per Share, U.S. Treasury futures and interest rate futures will be valued at the settlement price determined by the applicable exchange.

Price information regarding U.S. Treasury futures and interest rate futures will be available from the applicable exchange and from major market data vendors.

The Adviser represents that there is no change to the Fund's investment objective from that described in the Prior Release. The Fund will comply with all initial and continued listing requirements under NYSE Arca Equities Rule 8.600.

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<sup>10</sup> See, e.g., Prior Order (approving use of U.S. Treasury futures by the db-X Managed Municipal Bond Fund), and Securities Exchange Act Release No. 67001 (May 16, 2012), 77 FR 30341 (May 22, 2014) (SR-NYSEArca-2012-21) (order approving listing and trading on the Exchange of First Trust North American Infrastructure Fund under NYSE Arca Equities Rule 8.600).

Except for the changes noted above, all other facts presented and representations made in the Prior Release remain unchanged.

All terms referenced but not defined herein are defined in the Prior Release.

## 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>11</sup> that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 8.600. With respect to the Fund investments in U.S. Treasury futures and interest rate futures, the Exchange notes that the Commission has approved similar representations relating to issues of Managed Fund Shares proposed to be listed and traded on the Exchange.<sup>12</sup> All interest rate futures and U.S. Treasury futures in which the Fund invests will be traded on a U.S. futures exchange. In computing the Fund's net asset value per Share, U.S. Treasury futures and interest rate futures will be valued at the settlement price determined by the applicable exchange. Price information regarding U.S. Treasury futures and interest rate futures will be available from the applicable exchange and from major market data vendors, and the availability of such information will help deter fraudulent and manipulative acts and practices.

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<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> See note 10, supra.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that the Adviser represents that the proposed change will permit the Adviser to use additional means to achieve the Fund's investment objective through investments in interest rate futures and U.S. Treasury futures for duration management. The Fund will comply with all initial and continued listing requirements under NYSE Arca Equities Rule 8.600.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that the Fund will comply with all initial and continued listing requirements under NYSE Arca Equities Rule 8.600. The Adviser represents that the purpose of this change is to permit Fund investments in U.S. Treasury futures and interest rate futures for duration management. The Commission has previously approved investments in such futures contracts for other issues of Managed Fund Shares.<sup>13</sup> The Adviser represents that there is no change to the Fund's investment objective. Except for the change noted above, all other representations made in the Prior Release remain unchanged.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change to the Fund's means of achieving the investment objective will permit the Fund to adjust its portfolio to allow the Fund to meet its investment objectives by investing in U.S. Treasury futures and interest rate futures and will enhance competition among issues of Managed Fund Shares that invest in fixed income securities.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule

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<sup>13</sup> See note 10, supra.

### Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

### III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the proposed rule change does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>14</sup> and Rule 19b-4(f)(6) thereunder.<sup>15</sup>

The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange states that waiver of this requirement will: (1) facilitate duration management by the Fund; (2) provide additional means for the Adviser to meet the Fund's investment objective, which remains unchanged; and (3) allow the Fund to meet its investment objective in the most efficient manner possible. For these reasons, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. The Commission also notes that all the interest rate and U.S. Treasury futures in which the Fund will invest will be listed on U.S. futures exchanges regulated by the Commodity Futures Trading Commission. Therefore, the Commission designates the proposed rule change to be operative upon filing.<sup>16</sup>

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

<sup>16</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-NYSEArca-2014-26 on the subject line.

##### Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. SR-NYSEArca-2014-26. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of



the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-NYSEArca-2014-26 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>17</sup> 17 CFR 200.30-3(a)(12).